



## **CONNECTICUT EMPLOYEES UNION INDEPENDENT**

PO Box 1268  
Middletown, CT 06457

Testimony by Carl Chisem, President

Connecticut Employees Union Independent, SEIU Local 511

**S.B. 380 An Act Concerning a Study of State Tax Policies**

**S.B. 381 An Act Concerning a Study of State Revenue Collections**

**S.B. 382 An Act Concerning a Connecticut New Market Tax Credit Program**

**S.B. 383 An Act Increasing the Applicable Percentage of the Earned Income Tax Credit**

**H.B. 5403 An Act Establishing a Child Tax Credit against the Personal Income Tax**

**H.B. 5406 An Act Concerning a Study of State Revenue Policies**

**H.B. 5407 An Act Concerning Study of State Fiscal Policies**

Finance, Revenue and Bonding Committee Public Hearing

March 15, 2022

Good afternoon Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman, and the distinguished members of the Finance, Revenue and Bonding Committee; My name is Carl Chisem and I am President of the Connecticut Employees Union Independent, SEIU Local 511, as well as a member of Recovery For All. Our union represents over 6,000 active and retired blue collar maintenance and service State workers who provide valuable services within our state facilities. They cook, clean, repair, maintain and deliver in Connecticut's State buildings, hospitals, college campuses, airports, roads, bridges and parks. Thank you for the opportunity to testify in support of SB 380, SB 381, SB 382, SB 383, HB 5403, HB 5406 and HB 5407.

The 2014 state tax incidence analysis performed by the Department of Revenue Services showed that the bottom 50% of earners contribute 23.6% of their income in taxes, but the top 1% contribute only 7.5%. The long anticipated follow up report released earlier this month shows that low-income households have lost ground since 2014. They now pay up to 26% of their income in taxes. Middle income households are also paying more - as much as 15.5%. Yet the ultra-wealthy's effective tax rate has remained flat. Unfortunately, it seems that Connecticut's tax system is even more regressive now than it was in 2014.

As hard as they try, working families like our members just can't seem to get ahead. while the ultra-wealthy have continued to do very well. Just since the beginning of the pandemic, Connecticut's 13 billionaires seized \$13.7 billion in additional wealth – adding on average \$1 billion each – while hundreds of thousands of working people were financially devastated. We are going in the wrong direction, and it is imperative that this committee work to right these wrongs. You passed a comprehensive, progressive revenue package in 2021, and I am asking you to do that again to give low- and middle-income earners a better chance at a more secure financial future.

SB 383 and HB 5403 would begin a Recovery For All by providing immediate and permanent relief to those who need it most. The Earned Income Tax Credit (EITC) and Child Tax Credit

(CTC) are financial lifelines for low-income individuals and families. Their potential impacts are staggering, greatly reducing poverty for working individuals and families and preventing millions of others from being pushed into poverty in the first place. Each is an equitable, long-term solution that also reduces racial disparities, builds financial security and creates opportunities of economic mobility for all. Together, permanently raising the Earned Income Tax Credit (EITC) to 41.5% and pairing it with the CTC, will allow working families to make ends meet and provide for their children while saving for a rainy day. These are win-win proposals and I urge members of the Committee to give them your full support.

SB 380, SB 381, HB 5406 and HB 5407 are study bills. The 2022 tax incidence report I noted earlier gives you the information you need to enact these much needed changes. Since studies take time and can delay progress, we encourage the Committee to act quickly to provide relief to those who are hurting financially.

SB 382 has the potential to change the face of our struggling communities by stimulating economic development in ways that create good jobs, expanding access to healthy foods in food deserts and making environmental improvements. This proposal will incentivize the kinds of community investments that build wealth, reduce income inequality and contribute to economic growth in underserved communities. We encourage the Committee to support this creative approach to build equity.

The scale of Connecticut's inequality and the pandemic's economic devastation demands a bold response—people are suffering, and our state has a responsibility to meet their needs. We have an unprecedented opportunity to ease the financial burden so many families are currently feeling by funding relief measures and essential services, reducing economic and racial inequality, and setting our state on a path to robust economic recovery by restoring fairness to our tax code. Thank you for the opportunity to submit this testimony.